

Value Unlocked

HOW INTEGRATION DRIVES MARGIN GROWTH FOR GENERAL CONTRACTORS.



» More than ever in the construction industry, technology is a competitive advantage.

General contractors are facing more competition and tighter margins along with owner organizations that are demanding timelier and more accurate project information whether it's budgets, progress

or change-orders. Couple this with the disjointed and non-integrated applications running contractor organizations and you have a recipe for disaster. Or at least margin leakage.

Now more than ever in the construction industry, technology is becoming a competitive advantage. It is no longer a luxury to have core business application integrated, it is a requirement. Yet there's a mission-critical area that is often overlooked for the value it can bring to an organization: integrating project management and accounting/ERP applications. No other applications have as much impact to the success – or failure – of a project driven organization than a tight linkage between the field-facing project management software and the back-office accounting applications.

Why Integrate?

With more than 20 years' experience in helping companies unlock hidden value via integration between multiple applications, Morpheus Technology Group defined and continues to refine the integration process. And along the way it has identified seven key benefits that every leading construction company can reap as they integrate core ERP and PPM applications:

- Reduced redundancy – duplicate error prone data is minimized
- Single source – the integrity of data allows better decision-making based on the same information
- Holistic perspective – all project financials and even new sources of information are now available
- Lower costs – no need to have resources manually enter and import/export

Morpheus Technology Group LLC

www.morpheustechgroup.com

• Headquarters: Redmond, Ore.

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Top 7 Benefits to Project Management & Accounting/ERP Integration:

1. Reduced redundancy of data
2. Single source of truth
3. Complete project perspective
4. Lower overhead costs
5. Increased IT ROI
6. Speedier decision-making
7. Minimized risk

data; instead, it allows core personnel to concentrate on true business objectives

- Increased IT ROI – leverage the full potential of your ERP and project management investment
 - Speedier decision-making – more efficient data exchange between functional departments reduces decision time
 - Minimized risk – lower exposure to poor and/or missing data
- “We frequently see clients developing workarounds to the challenges they face with non-integrated systems, including hiring additional resources for data entry and also to vet data for errors,” says Randy Nolan, the co-founder of Morpheus Technology Group.

Let's take a deeper look at a couple of these benefits:

- Reduced redundancy – By far the most visible benefit of integration is the reduction of duplicate data entry. No longer is accounting entering information just to have the project team re-type it. Everyone wants their “actual cost” from accounting to magically update the project management application. With

integration this is a reality. For example, a general contractor in the Midwest was manually entering project budgets into the accounting system and the project team was entering budgets in the field. With integration, budgets are entered only once by the project team, and automatically pushed to the accounting system. Within the first six months of the integration, the accounting department estimated they saved weeks of man hours for the 50 projects started in those six months.

- Speedier decision-making – Historically, project management applications were updated with accounting data on a monthly basis for cost reviews. But this doesn't reflect the reality of the construction business – or any other for that matter – since decisions need to be made on a daily basis. Often hourly. Near real-time information is available to manage, for example, when work has been completed on change orders. With integration, accounting and project management are reconciled rapidly, giving the project team the information they need to make decisions faster and with the most accurate data.

Whether it's a drive to reduce errors, increase ROI or minimize project risk, the benefits of integrating core applications – those that are mission critical to the business – is a way to end the cycle of low margins and productivity inherent in the construction industry.

Integration Best Practices

Providing faster, more effective enterprise data integration is key for contractors to gain a competitive edge, win more deals and deliver profitable work. And a successful solution is cost effective, rapidly im-



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plemented, easy to use and enables complete end-user control. That's why MTG Frameworks® Enterprise Edition is the leading integration solution providing a powerful and

the initial setup and ongoing management as simple as possible.

Empowering clients through training and support to be confident and capable

'It's imperative that new applications be easily added to the integration environment.'

flexible framework that integrates enterprise applications simply and efficiently, while meeting unique customer needs.

A common misunderstanding is the erroneous belief that integrations can be "out of the box." The reason they can't is because every business is different, in particular business processes from one company to the other will be distinctive.

Just as important is that processes change over time within the same company. This requires a solution that is flexible in how integrations are configured as well as making

to manage their own integration solutions – now as well as in the future – is also a critical element of a successful implementation. Although integration of different applications across different departments is complex by its very nature, there are best practices that help speed the transition from a disconnected to fully integrated and optimized application environment. A successful integration can be distilled down to just three key elements. No integration project (or any project for that matter) will succeed without them:

1. Clear Business Objective – The solution must both drive business value and be aligned to the goals of the organization. Having a vague or hazy idea of what the key metrics are for the solution is a guarantee that the project will not meet the organization's needs.

2. Stakeholder Support – From the top down everyone connected to the initiative must be supportive. Dissenters or those reluctant to support the project must be met with understanding and patience while engaging them and getting them aligned to the mission. They can end up being your biggest advocates.

3. Communication – Clear, consistent and frequent communication is critical to keep stakeholders focused on the goals and involved in the process. This creates momentum and a means to unify all those associated with the project.

Enterprise application integration is a strategic investment that ultimately delivers operational efficiencies and significant improvement in the quality and timeli-



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Case Study

Columbus, Kan.-based Crossland Construction Co. Inc. first engaged Morpheus Technology Group to integrate Dexter Chaney's ERP solution in 2015. After many successful years of leveraging the integration, Crossland is embarking on upgrading its project management application and chose Kahua, a leader in the construction management software market, to integrate with Dexter Chaney.

Not only does Crossland need to replace its project management application, it is changing the directional flow of some of the integration points, bringing onboard a whole new division of its company. But it is doing all this while trying to leverage its current integration system so it doesn't have to reinvent the wheel.

Construction Today recently caught up with Crossland Chief Information Officer Colin Fisher to discuss the upgrade project. According to Fisher, as the company grew and analyzed its information, it discovered there were discrepancies between the two systems.

"Also, as our number of people on our project management teams grew, by having one standard setup with our PPM we were able to enforce some of our operating procedures with integration," he recalls. "If processes were not done correctly, we could see the errors in our workflows with MTG Frameworks."

Crossland, he notes, saved time and money by not having multiple projects perform processes 100 different ways. "I have always been a proponent of giving flexibility for people to manage projects how they want, but some structure is required as a company grows," he asserts.

He also appreciated that Morpheus was interested in evaluating processes and helping build the integration to meet those processes. "Despite some rogue processes and, quite frankly, some illogical ones, our processes were pretty good," Fisher says.

Morpheus also assigned a project manager to Crossland who had extensive experience. "One of the biggest issues with working with outside developers is they are awesome at programming but do not have the business sense of what you are trying to accomplish," he says. "This was not an issue with Morpheus."

Fisher predicts that Crossland will continue working with the company. "We have our core integrations setup with them but will work with them to build some more into our world to help eliminate time-wasting data entry. Also, we have started to build/tweak some of the integrations ourselves as we have learned the Morpheus application."

ness of information. And with the right approach companies can reap the benefits of specific integration touch points aligned to their unique business processes and priorities. Mike Smith, co-founder Morpheus Technology Group, believes that "Following these best practices can result in implementations taking weeks instead of months because the business is aligned, and the technology deployed is highly configurable and easy to use. It speeds client's time-to-value."

Future Proof

One thing we can count on in the construction industry is change. Change in scope, change in budget, change in schedule. And the technology used to manage projects is also rapidly evolving.

Now more than ever, software vendors are updating, as well



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as sunseting, applications and contractors are adopting and replacing solutions at a fast pace. It's one thing to integrate systems today but when change comes to the technology and the business, can your application environment be updated? It's imperative that new applications be easily added to the integration environment to take advantage of the latest technology. Done right the integration will have the flexibility to change with you and your application landscape.

Take for example Crossland Construction (see sidebar). It is implementing Kahua's leading-edge project management solution and required it to integrate to Dexter Chaney's accounting solution for all new projects. However, existing projects, and the existing integration with the older PPM system need to stay intact until the existing projects are completed. Flexibility is key.

With the rapid technological changes taking place in the construction industry along with the increasing pressures, demands and risks for contractors any "edge" gained is critical. Often overlooked, but holding tremendous value, is the integration of mission-critical PPM and accounting/ERP applications. Integration that frees-up different functional groups to work efficiently and seamlessly across the enterprise is now – more than ever – the advantage companies are looking for. ♦